

Holidaying abroad may be a smarter option this New Year

International Bookings Shoot Up with Steep Rise in Domestic Airfares

Goa or Maldives? Kerala or Sri Lanka? Jaipur or Thailand? As domestic airfares reach astronomical levels, it may be cheaper for Indians to celebrate the New Year weekend in an international destination than popular locations within the country. Yet, travel operators say, most Indian travelers are headed to domestic destinations this year-end although international holiday booking volumes have soared. Several leading travel firms say international holiday bookings have shot up 30-40% over the year ago period.

Domestic holidaying in comparison, is expected to increase on an average by 20-30% year-on-year this holiday season as increased incomes, coming economy and high asset prices make many Indians start packing their travel bags to welcome the New Year in style. So what if cost of travel packages are up 10-20% over the last year, any travel is as good as an international trip!

For example, a Delhiite planning to celebrate the New Year in Goa can instead watch the New Year's sun rise on Maldives beaches for the same amount, or slightly less. Here is how: The minimum return airfare for a couple from Delhi to Goa is quoting at over Rs. 51,000. Add to it peak-season hotel rates in the biggest beach destination in India and a couple would be spending a total of Rs.1-1.5 lakh for travel and five nights of a accommodation in a reasonable 4-star resort during the New Year weekend.

Now return airfares from Delhi to Male for a couple is around Rs 48,000 and hotel rates in the picturesque island nation on Indian Ocean are similar or a bit higher to those in Goa. "Goa is the most important popular party destination for Indians and high demand has led airfares to go through the roof even as several other places like Maldives, Thailand and Malaysia have competitive airfares," says Deep Kalra, CEO of online travel booking firm Make My Trip.

But, despite high airfares, people are still heading for popular domestic destinations such as Goa, Kerala, Rajasthan, Shimla and other hill stations like Mussorie and Ooty. Air tickets and hotels in many of these places are getting sold out by the minute.

A Mumbai couple planning to go to Port Blair to enjoy Andaman Islands will have to shell out at least Rs. 64,200 for return tickets. On the same dates, a couple can book a return ticket to Kuala Lumpur for Rs. 47,442. Or, if they are out to experience mountains, they can fly to Kathmandu and back for about Rs. 36,000.

While many Indians seem to be shrugging off the huge spike in domestic airfares, tour operators say this will make most people go for shorter trips this New Year season. "Traditionally in the winter season, Indians tend to travel to short-haul and mid-haul destinations as long haul destinations are colder, Thomas Cook India. He said that Indians are opting to travel to South-east Asian countries besides other locations like Australia and New Zealand.

Unlike summer season, school children get shorter holidays which also contributes to shorter vacations and frequent weekend breaks around Christmas or New Year.

Meanwhile, accommodation costs have also gone up in most destinations due to the boom in bookings. According to travel firms, there is an increase in foreign footfalls to the country specially during the winter season. As per the tourism ministry, India received 4.87 lakh foreign travelers in October, up 9.2% over the same month last year.

While foreign travelers coming from the US and the UK, traditionally India's largest markets, are still in the process of recovering from economic recession demand from rest of Europe and Asian countries is on a high, said Arjun

Sharma, chairman of LePassage to India, a travel firm specializing in inbound tourism.

Not only the couriers, hoteliers too plan to make most of the New Year party. Many hotels in Goa insist on minimum five nights stay and a compulsory 'gala dinner' for the New Year. Hoteliers say high prices are dictated by demand and that they are not yet out pricing themselves compared to other nearby destinations.

"In a resort destination like Goa, hotels make money only in six months. Globally, everyone increases price at this time of the year, and if the inventory is less in a destination, prices get jacked up even more," says Patu Keswani, CMD of Lemon Tree Hotels, which operates hotel brands Lemon Tree and Red Fox across the country. He says that unlike airlines, where airfares have climbed up sharply over the last year, hotels in India have increased prices by only about 8-12% to counter growing costs.

Meanwhile, loads of tourists are opting to go to overseas destinations. "Destinations in the South East Asia, parts of South Africa as well as Australia & New Zealand are popular this winter season," says Kashmira Commissariat, COO, outbound division, at Kuoni India, which specializes in outbound tourism.

"Traveling abroad is becoming more and more fashionable," she adds.

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